



## **MORTGAGE DIVISION GEORGIA DEPARTMENT OF BANKING AND FINANCE**

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### **APPLICATION & POLICY FOR APPROVAL AS A PROVIDER OF MORTGAGE EDUCATION COURSES REGULATION 80-11-4-.02**

An education provider that wishes to be approved by the Department to offer industry related courses eligible to satisfy the mortgage broker education requirement established by the Department must demonstrate their qualifications. The approved school must offer credit hours in courses directly related to the mortgage brokering process. The required areas of coverage will be published by the Department and may be revised from time to time, and a current list of the required course content is noted below.

The approved education provider must issue a certificate of completion to each person attending. Each must have standards of attendance and a reasonable method to determine attendance, and must have standards for test taking and scoring. If requested, the school must be able to provide to the department a list of all persons successfully completing the required credit hours.

All approved schools must have qualified instructors who meet standards established by the Department as noted below. These standards will also be available to the school upon request.

### **INSTRUCTOR QUALIFICATIONS**

#### **Background Check/Credit History**

Applicants to become approved education providers for the mortgage industry must demonstrate a sound credit history. In addition, the Department will review an applicant's criminal background to ensure that persons of sound character are providing training and assistance to members of the mortgage industry. A copy of the **Background Check Authorization Form** is included with these instructions.

#### **Instructor Experience**

Education providers and instructors must have a minimum of two years mortgage industry experience as a mortgage broker, mortgage lender, mortgage loan originator, mortgage loan processor, compliance officer, mortgage regulator, or the equivalent and must be proficient and knowledgeable in the mortgage loan brokering and lending processes. Evidence of this experience will be demonstrated as set out for brokers in Regulation 80-11-4-.01(4), which is included in this application. The applicant must provide the documentation required by that regulation.

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### Instructor Industry Training

Education providers must have completed formal training or have equivalent experience acceptable to the Department in the subjects being taught. These subjects are noted below under Course Requirements. The applicant will provide a copy of their completion certificate, transcript, or equivalent documentation as evidence of formal training in these subject areas.

### Education Provider/Technical Trainer Qualifications

Instructors should have completed training in the fundamentals of teaching and instructing. This would include:

- Lesson Planning:
  - Student Profiles - Targeting the Audience
  - Prerequisites
  - Content and Module Development
  - Instructional Objectives
- Classroom Delivery:
  - Instructional Procedures
  - Materials and Equipment
  - Lesson Assessment and Evaluation

In general, the individual will have sufficient training to practice specific methodologies such as lecturing, demonstration, coaching, discussion, role-playing, and case study use. Courses taken will have included practice in designing instructional strategies, developing lesson plans and other courseware, performance evaluation instruments, and job aids, as well as the use of electronic media and software.

Post-secondary educational courses at a recognized college or university in the areas of training or instruction in the educational field would qualify. A copy of the post-secondary grades/transcript must be provided. A certificate of completion in a "Train the Trainer" or similar course work which covers the fundamentals noted above from a nationally recognized training institute would also be acceptable. In lieu of a certificate of formal training, submission of verification of training experience as provided by the applicant, such as a letter of employment from an accepted training company or education provider, noting significant experience with other recognized industry training companies or universities or other continuing educational facilities would be reviewed on a case-by-case basis. Such training or experience should have taken place within the last five years. The department will review the education or experience provided on a case-by-case basis.

### COURSE REQUIREMENTS

Mortgage courses offered by the applicant will deal with obtaining a basic understanding of technical mortgage terms, elements of the mortgage brokering process, federal law, applications and required documentation. At a minimum the course of instruction must include the following topics as required in Regulation 80-11-4.02(4).

- Understanding technical mortgage and financial terminology:
- Elements of the mortgage brokering process:
  - The mortgage loan interview process
  - Minimum standards for books and records
  - Minimum standards for mortgage loan files
  - Ordering documents
  - Taking a detailed mortgage loan application
  - Preparing a detailed Good Faith Estimate
  - Reviewing and understanding the Credit Report
  - Reviewing and understanding the Appraisal
  - Verification of income and assets
  - Documentation required for a mortgage loan
  - Understanding available mortgage programs
  - Disclosures required by Federal and Georgia Law, Rules and Regulations;
- Federal Law and Regulations applicable to mortgage loans and mortgage lending, including but not limited to:
  - FHA LENDING
  - VA LENDING
  - FEDERAL REGULATIONS AND COMPLIANCE, INCLUDING:
    - Equal Credit Opportunity Act (ECOA)
    - Real Estate Settlement Procedures Act (RESPA)
    - Truth-in-Lending (Reg. Z)
    - Fair Credit Reporting Act
    - Home Owner Equity Protection Act
    - Flood Disaster Protection Act
    - Home Mortgage Disclosure Act
- Georgia Law and Rules and compliance governing mortgage brokers and mortgage lenders and applicable to mortgage loans and mortgage lending in the State of Georgia, including but not limited to:  
(Minimum of 4 Course Hours **Required**)
  - Article 13 - Georgia Residential Mortgage Act Review
  - Mortgage Lending Rules (Chapter 80 of the Department's Rules and Regulations)

## Education Provider Policy & Application

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- Financial Requirements
  - Applications for Licenses
  - Investigation Requirements
  - Maintenance of Books, Accounts and Records
  - Rules Relative to Advertising
  - Suspension or Revocation
  - Provisions of and Compliance with the Georgia Fair Lending Act
- **Fraud Detection and Prevention in the Mortgage Industry:**  
(Minimum of 1 Course Hour Required)
    - Detecting material misrepresentations, i.e. fraud that is contained in applications and supporting documentation, made by mortgage personnel or the loan applicant.
    - Ethics in lending.

### EDUCATION PROVIDER APPROVAL

The approval process will be as follows:

1. The application will be made on the approved form. The application will include a statement discussing the factors supporting the approval. The application will include a statement agreeing to provide a list of students who have successfully completed training and agreeing to update this list periodically or as required by the Department.
2. The application shall include the following:
  - A biography/resume of the instructor/instructors and a resume of their experience and qualifications to be an instructor. This would include a copy of their education transcript, certificates of completion, etc. as noted above.
  - A course outline which lists all subjects to be taught and classroom hours or credit hours for each course.
  - A detailed description of each course or subject which discusses the topics covered by the course, the objective of the course, the proposed result of the course, and how the material will be presented (lecture, case study, self study, etc.).
  - Sample copies of tests administered, copies of problems to be solved as part of the class work or homework, copies of handouts, and other materials necessary to demonstrate the significance of the course. Additional information and samples may be requested by the Department.
  - A sample of the Certificate of Completion presented to students who successfully complete the training.

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Upon receipt of this information the application will be reviewed to determine that:

- The instructors are qualified to present the courses
  - Courses cover the required topics
  - Courses provide the minimum required hours of instruction
  - The school meets standards for approval.
3. Prior to approval, the Department may elect to attend all classes presented to determine the school meets standards for approval. After approval the Department reserves the right to audit classes to also verify that standards and procedures are in place.
  4. Annual renewal of the school is required. Renewal applications will be mailed to the approved schools each year. Generally the renewal application will require the submission of qualification information for new instructors and submission of course content changes as well as any other information determined to be required due to any changes in mortgage broker educational requirements.

**RESIDENTIAL MORTGAGE BROKERS AND LENDERS**  
**CHAPTER 80-11-4**  
**LICENSING**

80-11-4-.01	Experience and Education Requirements. Continuing Education	80-11-4-.05	Knowing Purchase, Sale, or Transfer of Loan or Loan Application Package from Unlicensed Entity
80-11-4-.02	Approved Schools	80-11-4-.06	Wholly Owned Subsidiaries of Lenders; Notification Statement; When Registration Required.
80-11-4-.03	Licensing Requirements; Registrants: Exemptions; . Term for Bond	80-11-4-.07	Loan Processors as Brokers.
80-11-4-.04	Temporary License.	80-11-4-.08	Restrictions on Employment and Licensing.

**80-11-4-.01 Initial Experience and Education Requirements; Continuing Education.**

(1) Subject to the exceptions below, any mortgage broker license issued, reinstated or renewed after July 1, 2000 to an applicant, shall be subject to the requirements for experience or education. Such requirements shall apply to natural person applicants, or if to other entities or persons, to the operating manager who administers the operations in this state (collectively, “applicant”).

(2) Applicants for a new license or for reinstatement of a previous license shall elect and meet either the experience or the education requirements before a license will be issued or reinstated.

(3) Exception for certain licensees for initial education or experience requirements.

(a) Any mortgage broker license issued to an applicant prior to July 1, 2000, which license remains continuously valid without interruption until renewed on July 1, 2001, shall be subject to either one year of verifiable experience or applicant must meet the education requirements in this rule.

(b) Applicants for renewal eligible for this exception, in the case of a natural person, need only state on the application that the license was issued on or before July 1, 2000 and has remained continuously valid without interruption since July 1, 2000. In the case of other entities or persons, applicant must demonstrate that the current operating manager has completed either one year of experience, verified according to this rule, or the education requirements.

(4) Experience Requirements:

(a) Applicant must complete two (2) years of verifiable experience working full time for a licensed mortgage broker or lender.

(b) Experience shall consist of directly soliciting, processing, placing and negotiating mortgage loans for others.

(c) The following information must be submitted at the time of application or renewal by an applicant who wishes to qualify by using experience:

1. Letter on letterhead from previous or current employer certifying completion of two (2) years work experience directly soliciting, processing, placing, and negotiating mortgage loans for others. Telephone number of employer must be provided;

2. Copy of IRS form W-2 for the tax years covering the experience requirement;

3. Completed and signed IRS form 4506 which enables the department to verify the W-2, and;

4. Other documents or information required by the department necessary to verify completion of the experience requirement. Experience requirement may be verified by the department directly with the employer and tax authorities.

(d) If applicant's experience is received from an employer not required to be a Georgia Residential Mortgage Act licensee, such applicant must also complete four (4) hours of education provided by an approved school in Georgia, which education specifically covers the Georgia Residential Mortgage Act and rules and regulations of the department.

(5) Initial Education Requirements:

(a) Applicant must complete a minimum of 40 course hours of prescribed courses from a department approved provider of mortgage training courses. Courses will deal with obtaining a basic understanding of technical mortgage terms, elements of the mortgage brokering process, federal law, applications and required documentation, and shall include a minimum of four (4) course hours on Georgia law, rules and regulations. Beginning January 1, 2005, at least one of the remaining 36 hours shall be focused on fraud detection and prevention in the mortgage industry.

(b) Applicant must submit proof of completion of the required training courses in the form of a certificate of completion issued by a department approved provider of mortgage education courses. This requirement may be verified by the department directly with the provider. The department will make a list of such providers available on its website.

(6) Experience requirements must have been completed within the three (3) calendar year period immediately prior to the date of approval of the license. Initial education requirements must have been completed within the one (1) calendar year period prior to the date of approval.

(7) Continuing Education. Applicants for renewal of a broker's license shall meet the following continuing education requirements.

(a) Applicant must complete on an annual basis and prior to April 1 each year a minimum of 12 hours of continuing education dealing with elements of the mortgage brokering process, federal law, federal rules and regulations, Georgia law, Georgia rules and regulations, applications and required documentation, fraud, ethics or other topics pertinent to the operation of a mortgage brokering business in Georgia. At least one hour shall be concentrated on fraud detection and prevention.

(b) Except as provided in this rule, continuing education must be completed with a department approved provider of mortgage training classes.

(c) Seminars, courses or classes sponsored and approved by mortgage-related state and federal regulatory agencies, the National Association of Mortgage Brokers (NAMB), state and federal regulated lenders and their affiliates or professional associations, all of which must be recognized by the department as proper providers of education requirements ("approved providers"). Requirements may be satisfied at monthly association meetings, conventions, seminars or through electronic means provided the subject meets the requirements of this rule. For purposes of continuing education, instructors and speakers at seminars, conventions or classes sponsored by approved providers will not be required to seek department approval as approved providers of mortgage training classes. Education providers shall assign a certificate number to each attendee of a seminar, course or class. In state providers must keep lists of attendees for at least two years.

(d) Each licensed broker must maintain a listing of the courses completed or seminars attended, the date attended, the name of the instructor or speaker, the name of the sponsoring association, the course agenda and the credit hours earned for each course or seminar. Credit hours may not be earned or

approved in less than one hour increments. Such information may be requested as part of the renewal application.

(e) The department will not be required to verify that each applicant has completed the required continuing education hours prior to issuance of a renewal license. However, the department may at any time and at its discretion select any number of renewal applications to verify that the continuing education requirements have been met. Verification of continuing education hours may be performed as a part of the examination process. Licensees must maintain documentation for five years that verifies the continuing education hours attained. The department may request proof of attendance or verification from the applicant, sponsor, instructor or speaker.

(f) The department may at its discretion accept continuing education hours completed after April 1, but prior to June 30 of each year as part of the license renewal requirement. However, licensees/applicants that fail to attain at least 12 continuing education hours prior to April 1 of each year will be subject to a \$1,000 fine.

(g) Upon submitting an application to renew license, failure to complete 12 continuing education hours before April 1 together with failure to complete the hours by June 30 with payment of the \$1,000 fine shall result in inability to renew the license, or other administrative action.

(h) For purposes of continuing education requirements “applicant” shall mean an individual owner of the licensee, or a person designated and employed by the licensee as the primary supervisor or manager of the licensee’s mortgage business. The intent of the rule is that the continuing education must be obtained by a person who directs the affairs of the mortgage business.

(i) Newly licensed brokers who obtain their license after April 1 but before December 31 of any year will be required to have twelve (12) hours of continuing education credits in order to qualify to renew their license for the next license renewal period. Provisions in subsection (f) and (g) of this rule also apply to such newly licensed brokers.

Authority O.C.G.A. § 7-1-1012; § 7-1-1004.

#### **80-11-4-.02 Approved Schools.**

(1) A school or provider (“school”) that wishes to be approved by the department to offer courses eligible to satisfy the mortgage broker education requirement shall apply to the department for approval. Only approved schools may provide such courses.

(2) An approved school must offer credit hours in courses directly related to the mortgage broker process. A list of the required areas of coverage necessary to satisfy the education requirement will be published by the department and may be revised from time to time as the need demands.

(3) An approved school must issue a certificate of completion to each person attending, and must have standards for attendance and test taking and a reasonable method to determine attendance. The school must provide to the department a list of all persons successfully completing the required credit hours.

(4) All approved schools must have qualified instructors, meeting standards established by the department, which will be available to the school upon request.

(5) An approved school's official must be available to the department to contact in order to verify completion of education. Authority O.C.G.A. § 7-1-1012; § 7-1-1004.



**APPLICATION FOR APPROVAL**  
**As A**  
**PROVIDER OF EDUCATION COURSES**

TO BE USED TO SATISFY THE EDUCATION REQUIREMENTS FOR A GEORGIA RESIDENTIAL MORTGAGE BROKER LICENSE  
(Reference Section 7-1-1004(c) O.C.G.A. and Department Rule 80-11-4-.01 and 80-11-4-.02)

Fees		
Initial Application	\$500.00	<input type="checkbox"/>
Annual Renewal	\$250.00	<input type="checkbox"/>

Applicant Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone # \_\_\_\_\_ E-mail \_\_\_\_\_

Fax # \_\_\_\_\_ Website \_\_\_\_\_

Contact person for questions about this application:

Name \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Telephone # \_\_\_\_\_ E-mail \_\_\_\_\_

Fax # \_\_\_\_\_ Website \_\_\_\_\_

Please provide the following information on letterhead of the applicant signed by the chief executive officer of the applicant:

- 1) A statement discussing the factors supporting the approval;
- 2) A statement agreeing to provide a list of students who have successfully completed training and agreeing to update this list periodically or as required by the Department;
- 3) A biography/resume of the instructor(s) and a discussion of their experience and qualifications to be an instructor, with evidence of industry training and instructor training;
- 4) A signed copy of the Background Check Authorization Form;
- 5) A course outline listing all subject to be taught and classroom/credit hours for each course;
- 6) A detailed description of each course or subject which discusses the topics covered by the course, the objective of the course, the proposed result of the course, and how the material will be presented (lecture, case study, self study, etc.);
- 7) A detailed description of the student attendance policy and the methods used to determine that a student's attendance is in compliance with the policy, and;
- 8) A sample of the Certificate of Completion present to students who successfully complete the training.

Please submit this form and all supporting documentation required for this application along with a money order or cashiers check for the appropriate fee. Mail to: **Georgia Department of Banking and Finance, 2990 Brandywine Road, Suite 200, Atlanta, GA 30341-5565**. Additional information may be requested after the Department's initial review of the application. The Department will strive to approve or deny complete applications within 21 days of receipt by the Department.

Applicant Name

BACKGROUND CHECK AUTHORIZATION FORM

TO WHOM IT MANY CONCERN:

I hereby authorize the Georgia Department of Banking and Finance to obtain criminal history data on the undersigned in his/her capacity as a director, officer, principal, owner, policymaker, manager or employee of the above licensee. Also, pursuant to the provisions of Section 7-1-1004 of the Official Code of Georgia Annotated, the Department is authorized to secure information from credit reporting agencies, former employers or others regarding character, ethical reputation and financial responsibility. Such information and any conviction data received by the Department shall be used by the Department for the exclusive purpose of carrying out the responsibilities of this article, shall not be a public record, shall be privileged, and shall not be disclosed to another person or agency except to any person or agency which otherwise has a legal right to inspect the file. In order to facilitate this inquiry, I understand that I must provide the information below. The Department will notify me if further information is required. Should the data show that a violation of Section 7-1-1004 of the Official Code of Georgia Annotated exists, I understand that the Department may take the appropriate steps regarding the status of the license, as well as action against any person who does not qualify for employment under the law. Further information regarding this matter is contained in Section 7-1-1004 of the Official Code of Georgia Annotated.

**This authorization remains effective as long as I am employed in the mortgage educational industry.** A copy of this authorization shall be accepted with the same force and validity as the original.

Type of Government ID Presented

ID Number/Expiration

Signature

Print Full Name

Print Alias

Street Address

City, State, Zip Code

Social Security Number

Date of Birth

Sex  
(M or F)

Race  
B – Black  
W – White  
I – American Indian or  
Alaskan Native  
A – Asian or Pacific Islander  
H - Hispanic

Date

Witness